

53B-21-112 Financing projects and buildings -- Security instruments -- Terms.

- (1) In connection with the financing of any project or building under this chapter, the board, on behalf of an institution of higher education, may grant a purchase money mortgage, trust deed, or other security device pledging any land, buildings, furnishings, equipment, or other facilities to be acquired or constructed and paid for from the proceeds of the financing.
- (2) The rights and remedies available in the event of a default to the mortgagee, trustee, or lender shall be as agreed upon between the board and the lender and contained in the document.
- (3) In making any agreements, the board does not have the power to obligate itself or the state, except with respect to: (a) the project; (b) the building and the application of the revenues from it; (c) the revenues from any special fund pledged to repay it; (d) the proceeds of any ad valorem tax; or (e) any appropriations from the Legislature of the state.
- (4) Any purchase money mortgage, trust deed, or other security device made or granted by the board to secure the loan or other method of financing may also provide that in the event of a default in payment or the violation of any agreement, the mortgage, trust deed, or security device may be foreclosed or otherwise realized in any manner permitted by law. However, no deficiency judgment shall lie in any event and the breach of the agreement does not impose any general obligation or liability upon the board, the state, the proceeds of ad valorem taxes, or appropriations from the Legislature.
- (5) The purchase money mortgage, trust deed, or other security device may also provide that any mortgagee, trustee, lender, or the holder of any evidence of indebtedness secured by the security instrument may become the purchaser at any foreclosure sale, if the highest bidder.

Enacted by Chapter 167, 1987 General Session